

DEPARTMENT OF WORKFORCE DEVELOPMENT
DIVISION OF WORKFORCE SOLUTIONS
ADMINISTRATOR'S MEMO SERIES

NOTICE 04-15 Revised

ISSUE DATE: 08/03/2004

DISPOSAL DATE: 05/31/2006

*PROGRAM CATEGORIES:

<input type="checkbox"/> AS	<input type="checkbox"/> FM	<input type="checkbox"/> ML	<input type="checkbox"/> TR
<input type="checkbox"/> CC	<input type="checkbox"/> FL	<input type="checkbox"/> NA	<input type="checkbox"/> W-2
<input checked="" type="checkbox"/> CS	<input type="checkbox"/> IT	<input type="checkbox"/> RA	<input type="checkbox"/> WIA
<input type="checkbox"/> CF	<input type="checkbox"/> JC	<input type="checkbox"/> TC	
<input type="checkbox"/> CR	<input type="checkbox"/> LM	<input type="checkbox"/> TA	

To: Child Support Agency Directors

From: Bill Clingan /s/
Division Administrator

RE: Calendar Year 2005 Child Support Allocations – Preliminary Notice

Revised: Columns C and C1 in the Attachment have been corrected, everything else remains the same.

PURPOSE:

This memo provides child support agencies with preliminary allocation information (Calendar Year (CY) 2005 for counties) to assist agencies in their budgeting process. This memo addresses performance based allocations, child support administrative funds, and medical support liability incentives (refer to the attachment).

BACKGROUND:

Representatives from child support agencies on a subcommittee of the Child Support Policy Advisory Committee and the Department met a number of times to jointly develop a formula on which the CY 2005 performance funding allocations are based. The estimated amount of \$13.1 million is being allocated in the attachment. Performance funds must be matched with 66 percent federal funds \$25,429,411 for allowable child support activities; the total of \$38,529,411 includes both state and federal funds.

* PROGRAM CATEGORIES:

AS--Apprenticeship Standards	FM--Financial Management Requirements	ML--Migrant Labor	TR--Transportation
CC--Child Care	FL--Foreign Labor Certification	NA--Native American Services	W-2--Wisconsin Works
CS--Child Support	IT--IT Systems	RA--Refugee Assistance	WIA--Workforce Investment Act
CF--Children First	JC--Job Center	TC--Tax Credit Programs	
		TA--Trade Assistance	

PERFORMANCE BASED ALLOCATION (STATE)

The performance based allocation provided in the attachment shows the contract amount that may be earned under the CY 2005 contract. Requirements related to earning this allocation were communicated in Administrator's Memo 04-09. These state funds provide a contract amount to each agency to minimize agencies' share of costs. The allocations are based on an estimated amount of \$13.1 million available statewide under the performance based allocation and relates to the amount estimated to be earned by the state under the federal child support incentives. However, the actual allocations may be adjusted if the federal incentives change. The exact amount may also be increased or decreased subject to the final approval of the State's Biennial Budget.

Agencies will receive two advance payments, each consisting of one-twelfth of their award (monthly 1/12). These advance payments will be made to agencies in January and February of 2005.

The methodology used to determine the child support allocations is similar with the prior years. The OCSE-157 report of cases for March 31, 2004, was used to determine the caseload size for each agency for purposes of the 2005 allocations.

Based on caseload size, agencies were divided into the following groups: Smallest, Small, Medium, Large, Extra Large, and Milwaukee. These groups represent distinct breaking points in distribution of cases statewide.

Smallest Agencies -	350 cases or fewer
Small Agencies -	at least 351 cases but not more than 2,950 cases
Medium Agencies -	at least 2,951 cases but not more than 5,200 cases
Large Agencies -	at least 5,201 cases but not more than 9,500 cases
Extra Large Agencies -	at least 9,501 cases but not more than 50,000 cases
Milwaukee -	over 100,000 cases

The Smallest Agencies will have a minimum allocation not determined by caseload.

Each group receives a percent of the state's total allocation.

Smallest Agencies -	0.34% of the state total allocation, \$15,000 for each of the three agencies
Small Agencies -	22.45% of the state's total allocation divided by the total caseload for this group
Medium Agencies -	16.22% of the state's total allocation divided by the total caseload for this group
Large Agencies -	7.27% of the state's total allocation divided by the total caseload for this group
Extra Large Agencies -	24.11% of the state's total allocation divided by the total caseload for this group
Milwaukee -	29.60% of the state's total allocation

CHILD SUPPORT ADMINISTRATIVE FUNDS (FEDERAL)

The methodology for determining administrative cost advances for agencies has been changed from previous years. The Department generates administrative cost advances for two months only, January and February, based on 20 percent of the total federal share (66%) of the 2005 Performance Based funds. This method of establishing the base, against which the advances are calculated, does not limit the amount of funds an agency may earn through the reimbursement process. The Child Support Agency will be reimbursed at the applicable federal financial participation (FFP) rate and applicable State share on all allowable costs, regardless of the amount used for advance calculations.

Agencies have an opportunity to request, at any time during the contract period, a modification of the administrative cost advances. An example of a justification for an upward revision is the addition of staff to the Child Support Program in CY 2005, which was not reflected in the CY 2004 base budget. See **REQUESTS FOR MODIFICATIONS** section below.

The attachment shows the monthly federal portion of the advanced amount and the total of the administration funds (federal) for CY 2005.

MEDICAL SUPPORT LIABILITY (MSL) INCENTIVES

The monthly estimated Medical Support Liability (MSL) incentive payment to be made to agencies in CY 2005 will be one-twelfth of the earned MSL incentive amount for FFY 2003. The monthly amount is indicated on the attachment. The methodology used has not changed from 2004. There will continue to be an annual MSL adjustment to reconcile estimated incentives with earned incentives.

Agencies have an opportunity to request, at any time during the contract period, a modification of the amount of MSL incentives to be paid monthly. An example of a justification for an upward or downward revision is evidence of an increase or decrease in MSL collections of more than five percent that was not reflected in the FFY 2003 incentive amount. See **REQUESTS FOR MODIFICATIONS** section below.

REQUESTS FOR MODIFICATIONS

Requests for modifications that result in at least a five percent change (positive or negative) in the Child Support administrative allocation or Medical Support Liability estimate may be directed to your Area Administrator at any time throughout the contract period. Adjustments will be reflected in the first available payment month following approval. Any agency requesting a modification will be notified in writing of the revised allocation amount, or the reasons for adjusting or denying the modification request.

If you have any questions, please feel free to contact your Area Administrator.

REGIONAL OFFICE CONTACT: Area Administrators

CENTRAL OFFICE CONTACT: Mona Hou
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ATTACHMENT